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Automotive UK labour market report

Release 9



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COVID-19 – Automotive Sector UK Labour Market

Introduction

The aim of this report is to extract sector relevant analysis from the ONS UK Labour Market data release. Release 9 uses the January report which was released on the June 15th 2021.

Summary of findings

The latest figures suggest that the jobs market is showing signs of recovery, as all measures are at or nearing pre-pandemic levels.

Redundancy levels in the sector have been falling for the past 6 months, decreasing by 15% since last month, and at most recent reporting (February to April 2021) was at 18,623. The redundancy rate is currently 5.5%, which has fallen by 13.8% since the record high in Aug-Oct 2020. Rates are now approaching pre-pandemic levels. It is also 1.5 percentage points higher than the 'All Industries' rate. It has the 5th highest rate of the 13 outlined industries.

Approximately 170,000 people who are unemployed stated that their last job was in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle'. Unemployment levels in the sector have decreased by 7.6% in the past month, but remain 1.2% higher compared to the same period last year.

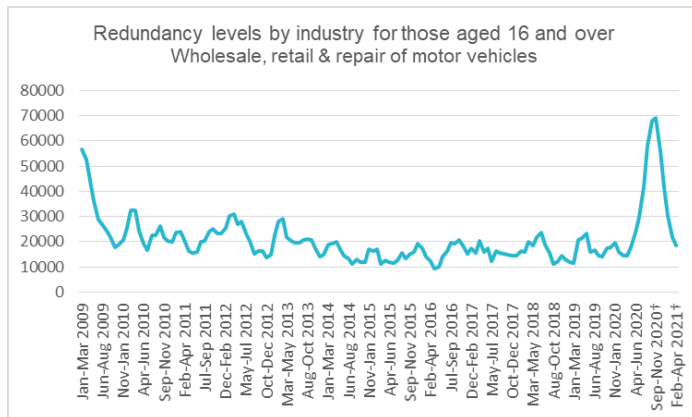
The average worker carried out 30.0 hours of work in comparison to those in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' who on average worked 27.3 hours. Average hours worked have increased in the past month as restrictions from lockdown 3.0 start to ease but average hours worked remain at their lowest since records began.

Between March - May 2021, there were an estimated 12,000 vacancies in the Motor Trades sub sector; this has remained at the same level for the past 3 months. Levels are currently back to post pandemic levels.

Redundancies

Please note that, 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' is the nearest proxy to represent the automotive sector. However, the data will include other sectors which are not strictly automotive.

Redundancy levels



18,623
Made redundant in the sector
Feb - Apr 2021

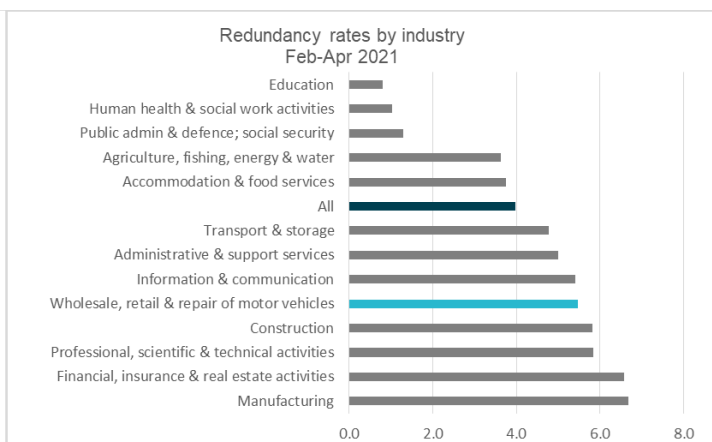
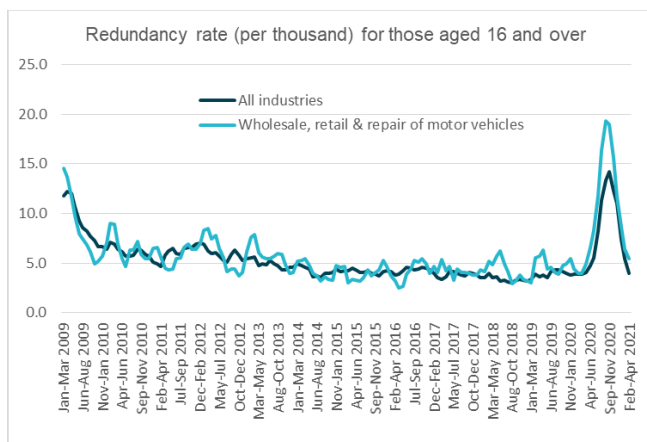
- 15% decrease in the past month
- 28% increase compared to the same period last year

Redundancy levels in the sector have been falling for the past 6 months, decreasing by 15% since last month, and at most recent reporting (February to April 2021) was at 18,623. Levels, although 28% higher than the same period last year, are now approaching post-pandemic levels.

Redundancy Rates

4.0%
Redundancy rate
Feb - Apr 2021

5.5%
Automotive sector
redundancy rate
Feb - Apr 2021



The redundancy rate in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector is currently 5.5%, which has fallen by 13.8% since the record high in Aug-Oct 2020. Rates are now approaching pre-pandemic levels. It is also 1.5 percentage points higher than the 'All Industries' rate. It has the 5th highest rate of the 13 outlined industries. As previously stated, the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' is the nearest

proxy to represent the automotive sector. However, the data used for this section does include other sectors which may not be strictly automotive, and it is likely that other ‘retail sectors’ are significantly affecting the redundancy and unemployment rates.

Unemployment

170k

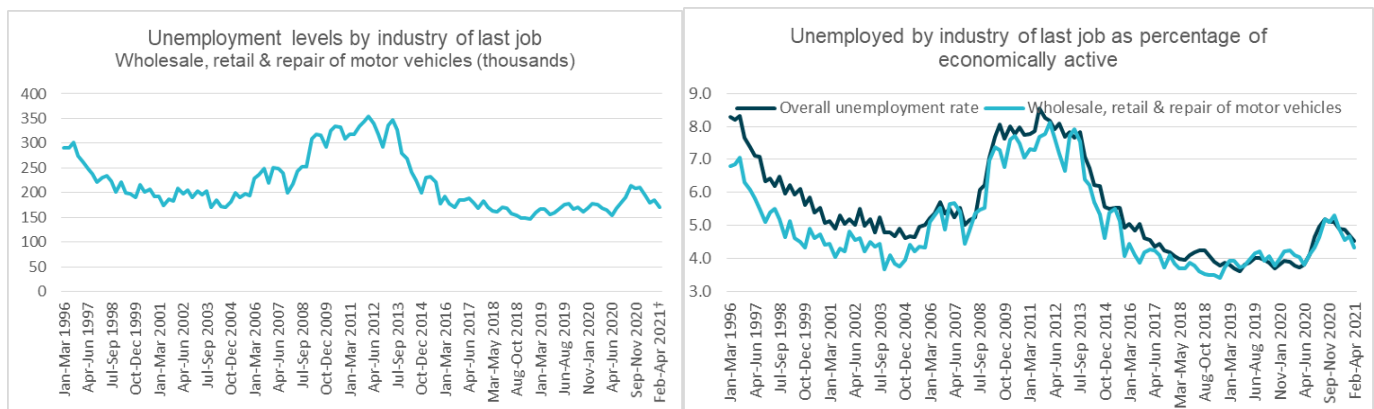
Unemployed with last job in automotive
Feb-Apr 2021

4.5%

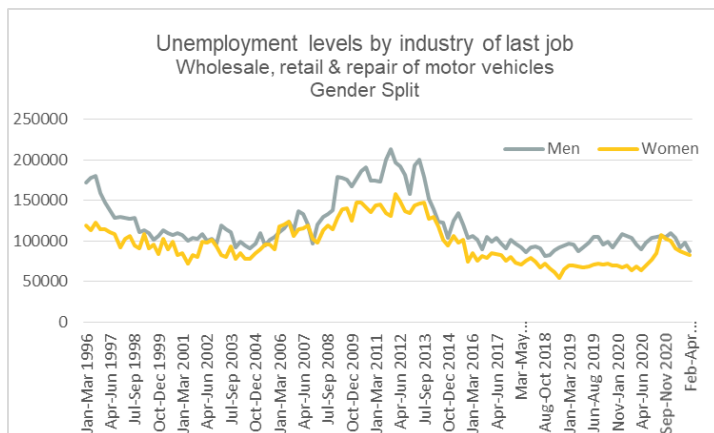
Unemployment rate
Feb-Apr 2021

4.3%

Automotive percentage of economically active
Feb-Apr 2021



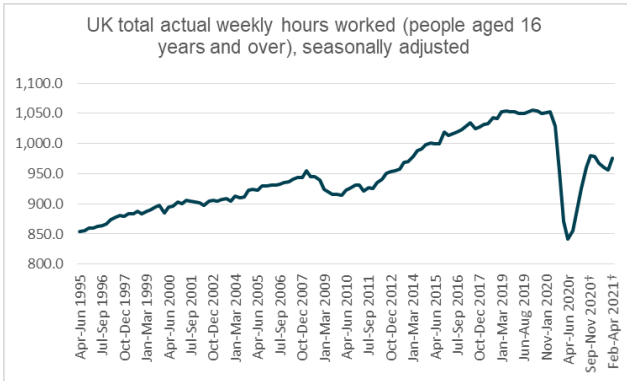
- In the period February to April 2021, approximately 170,000 people who are unemployed stated that their last job was in ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle’.
- Unemployment levels in the sector have decreased by 7.6% in the past month, but remain 1.2% higher compared to the same period last year.
- Comparing the unemployment rate in the sector as a percentage of economically active to the overall unemployment rate, automotive is 0.2% lower.



Of those unemployed whose last job was in ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle’, 51% (87,000) are men and 49% (83,000) are women.

In the past month, unemployment for both men and women has been decreasing and currently these remain at similar levels.

Hours worked



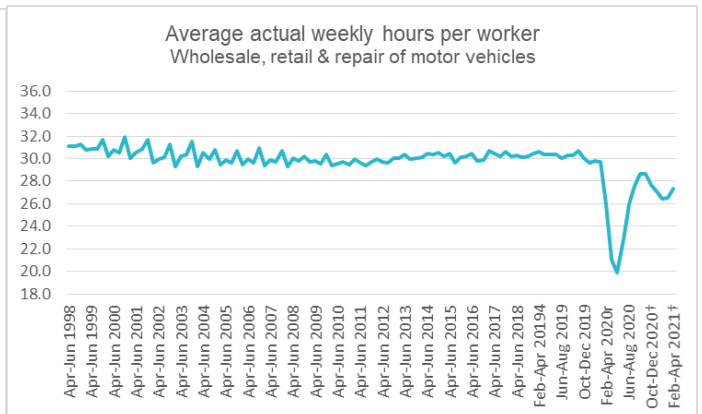
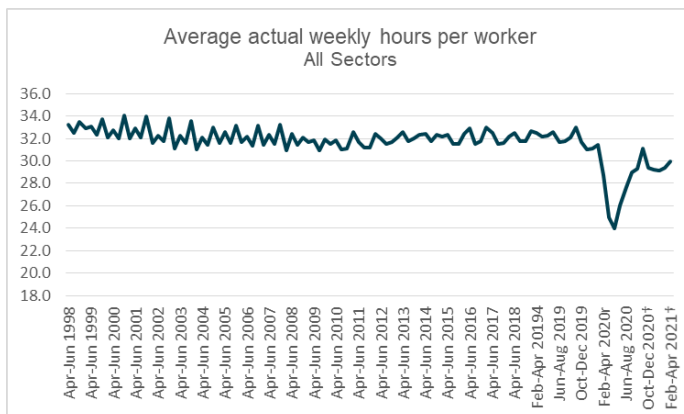
In February to April 2021, total actual weekly hours worked in the UK increased by 7.2 million hours from the previous quarter. This coincided with the relaxing of Coronavirus lockdown measures, which had stalled the recent recovery in total hours. However, this is still 77.0 million hours below pre-pandemic levels (December 2019 to February 2020) to 975.2 million hours.

All Jobs
30 hrs

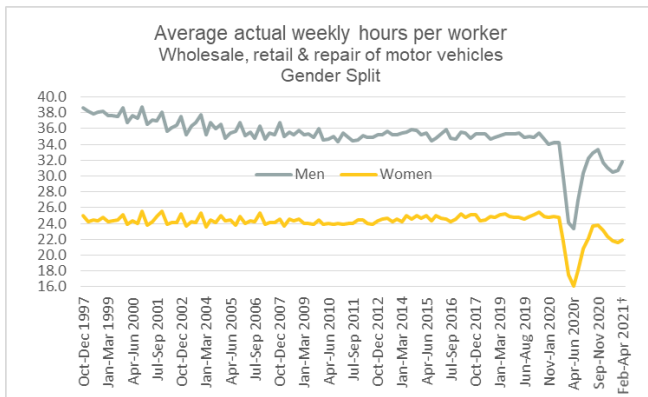
Avg worker hours per week Feb-Apr 2021

Automotive Jobs
27.3

Avg worker hours per week Feb-Apr 2021



- In the period February to April 2021, the average worker carried out 30.0 hours of work in comparison to those in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle', who on average worked 27.3 hours.
- Average hours worked have increased in the past month as restrictions from lockdown 3.0 start to ease.
- Average hours worked remain at their lowest since records began.

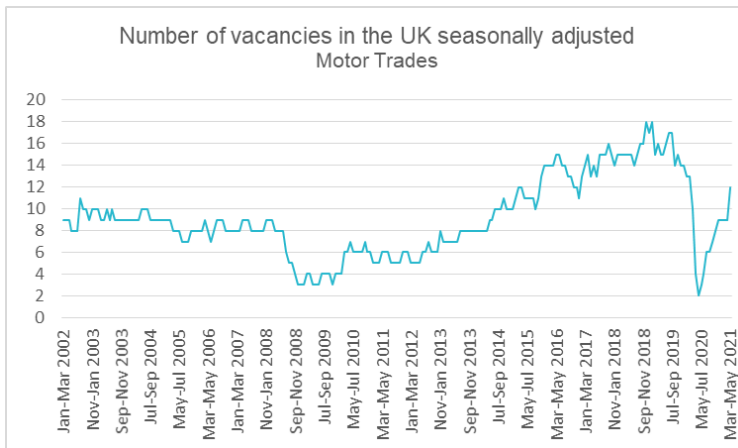


Men
Automotive Jobs
31.8
Avg worker hours per week
Feb-Apr 2021

Women
Automotive Jobs
21.9
Avg worker hours per week
Feb-Apr 2021

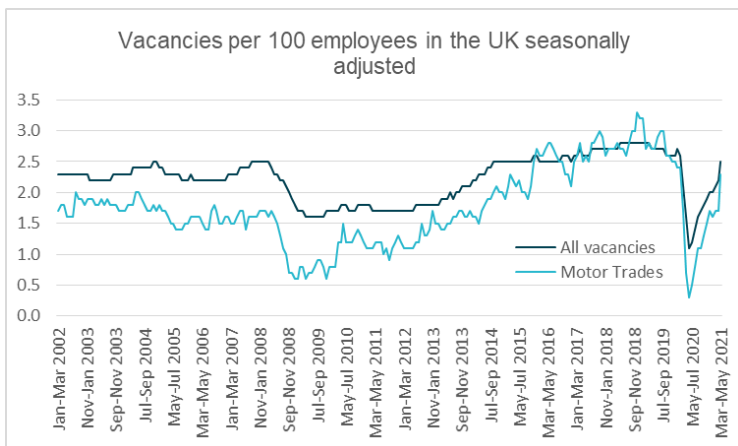
In the period February to April 2021, the average man working in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' worked 31.8 hours, compared to women at 21.9 hours. Both saw small increases of 4% (men) and 2% (women).

Vacancies



Sector
12,000
Vacancies in March - May 2021

For March - May 2021, there were an estimated 12,000 vacancies in the Motor Trades sub sector; this has remained at the same level for the past 3 months. Levels are currently back to post-pandemic levels.



The motor trade vacancies ratio is 2.3 which is 0.2 or 8% lower than the all vacancy rate.

Appendix

Economic Indicators

Redundancies [Redundancy levels and rates by industry for those aged 16 and over]

This section uses dataset **redundancy levels by industry for those aged 16 and over and redundancy rates by industry for those aged 16 and over** both taken from the Labour Force Survey. The data is a quarterly dataset that is updated on a monthly basis and has been recorded since 2009.

Unemployment [Unemployment by previous industrial sector]

This section uses dataset **all and long-term unemployment levels by industry of last job (not seasonally adjusted)** taken from Employer surveys, Labour Force Survey and administrative sources. The data is a monthly dataset and has been recorded since 1995. This dataset is also split by gender.

Hours worked [Average actual weekly hours of work by industry sector]

The section uses dataset **average actual weekly hours of work by industry sector (HOUR03)** taken from Employer surveys, Labour Force Survey and administrative sources. The data is a monthly dataset and has been recorded since 1997; this dataset is also split by gender.

Vacancies [Vacancies by industry (seasonally adjusted)]

The following uses dataset **vacancies by industry (seasonally adjusted)** taken from the ONS vacancy survey. The data is a monthly dataset and has been recorded since 2005. The most recent data is from October 2020. This data is split by subsector and enables individual analysis of motor trades, retail and wholesale. Automotive will feature to some degree in each but this does give an additional layer of detail.

The analysis uses the ONS industry SIC code G - Wholesale & retail trade; repair of motor vehicles and motorcycles. This is the nearest proxy to represent the automotive sector but does not include manufacturing. It does include other sectors that may not strictly be automotive.

Data Sources

- A01 Labour market statistics summary data tables – Release 15th June 2021
- RED02: Redundancy levels and rates by industry for those aged 16 and over - Release 15th June 2021
- UNEM03: All and long-term unemployment levels by industry of last job - Release 15th June 2021
- HOUR03: Average actual weekly hours of work by industry sector – Release 15th June 2021
- VACS02: Vacancies by industry - Release 15th June 2021